



State of Utah

Department of
Natural Resources

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Division of
Oil, Gas & Mining

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July 14, 2004

Eric Beaumont
General Manager
Great Salt Lake Minerals Corporation
P.O. Box 1190
765 North 10500 West
Ogden, Utah 84402

Subject: Inspection at Great Salt Lake Minerals Corp, GSL Mine, M/057/002,
Weber County, Utah

Dear Mr. Beaumont:

Thank you for your recent letter provided in response to our March 25, 2004 inspection of your solar pond operations on the west side of the Great Salt Lake. I appreciate you bringing your concerns regarding this inspection to my attention. I am responding to your concerns below.

1. *All correspondence with GSL regarding its leases, permits, etc. needs to be sent to the attention of GSL management. Brad Bryner is simply an operator on GSL's west pond operations, but is not management.*

Thank you for this clarification. Addressing a copy of our inspection memorandum to Mr. Bryner was a courtesy, and not sending it to management was an oversight on our part. Please accept our apology for this error. Program staff have been advised accordingly so this oversight should not happen again in the future.

2. *Bill Coleman, a private citizen, accompanied the two state employees on this inspection without GSL management's permission. This is not acceptable, particularly in this case since Mr. Coleman could be considered a possible competitor.*

It is not common practice for Division staff to have a private citizen accompany them while conducting an inspection of a potential competitor's operation. In this instance, Mr. Coleman had arranged to carpool with the staff from our Salt Lake office during their inspection of

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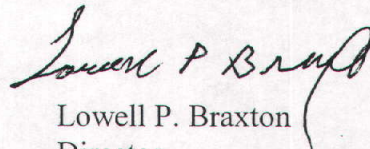
his state mineral leases. Following the inspection of Mr. Coleman's lease areas, the Minerals personnel decided to take advantage of the opportunity to view a portion of GSL's operations while in the immediate vicinity. At the time, it did not seem appropriate to leave Mr. Coleman behind without shelter or any means of emergency communication. At that time, Mr. Coleman did not possess, nor had he applied for a mining permit; therefore, it did not occur to the Minerals personnel that he might be considered a competitor to GSL. Also, Mr. Bryner did not express concern in this regard when he was met onsite. In hindsight, this was a difficult situation and may or may not have been an error in judgment.

3. *Regarding Mr. Coleman's leases, should the State determine that these leases have never been and never will be put to productive use, GSL would be interested in possibly acquiring these leases. Please let me know if you would consider making the leases in question available.*

The Division of Oil, Gas and Mining does not control or issue State Mineral Leases. State Mineral Leases are administered by the Division of Forestry, Fire and State Lands. For further information regarding the availability of these leases, please contact Mr. Karl Kappe at (801) 538-5495.

Again, thank you for your letter and let me assure you that we acknowledge and appreciate your concerns. If you have additional questions or concerns in this regard, please contact me at (801) 538-5370, or Mary Ann Wright, Associate Director of Mining, at 538-5306.

Sincerely,


Lowell P. Braxton
Director

LPB:DWH:jb

cc: Karl Kappe, FF&SL
Lynn Kunzler, OGM
Daron Haddock, OGM

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